

Idaho Millennium Fund

Analyst: Freeman

Historical Summary

OPERATING BUDGET	FY 2002 Total App	FY 2002 Actual	FY 2003 Approp	FY 2004 Request	FY 2004 Gov Rec
BY FUND CATEGORY					
Dedicated	2,756,500	2,756,500	3,579,200	4,047,100	3,324,600
Percent Change:		0.0%	29.8%	13.1%	(7.1%)
BY OBJECT OF EXPENDITURE					
Trustee/Benefit	2,756,500	2,756,500	3,579,200	1,898,000	0
Lump Sum	0	0	0	2,149,100	3,324,600
Total:	2,756,500	2,756,500	3,579,200	4,047,100	3,324,600

Division Description

Tobacco Settlement Background

In November 1998, the attorneys general and other representatives of 46 states signed an agreement with the largest tobacco manufacturers ending a legal battle between the states and the industry that began in 1994. While payments are expected to continue in perpetuity, the settlement requires the tobacco manufacturers to pay the states \$206 billion over the next 25 years, of which Idaho will receive a total of approximately \$790 million.

To date, Idaho has received \$78.2 million. The next payment of approximately \$7.7 million will be received in January 2003 with another payment of \$18.6 million coming in April. Thereafter, Idaho will receive between \$22 and \$33 million per year depending on adjustments for inflation and volume.

Millennium Fund Enabling Legislation

The Idaho Millennium Fund was established by the legislature in 2000 as an endowment fund structure to receive, invest and disburse funds received by the State of Idaho under the tobacco Master Settlement Agreement reached between participating states and tobacco product manufacturers. This fund preserves the long-term capital value of these moneys through a distribution rule which provides that five percent of the fund's average market value is made available for legislative appropriation each fiscal year. Fund investments are managed by the State Treasurer, who is the constitutional officer charged with the responsibility of managing state funds. The Treasurer is investing the fund in a diversified portfolio, which includes 30% in domestic bonds, 50% in US common stocks, and 20% in non-US stocks.

Millennium Income Fund Grants

In 2002, HB 486a created the Joint Millennium Fund Committee, which is made up of five senators and five representatives, and is charged with reviewing grant applications and providing a funding recommendation to the legislature. There is no specification in law with regard to how the monies in the Millennium Fund shall be used, but the Joint Millennium Fund Committee has chosen to only consider applications for programs and projects directly related to one or more of the following: (1) tobacco cessation or prevention; (2) substance abuse cessation or prevention; or (3) tobacco or substance abuse related disease treatment. In addition, the committee has determined that funds may not be used for overhead or indirect costs, permanent capital improvements or organizational start-up costs.

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Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2003 Original Appropriation	0.00	0	3,579,200	0.00	0	3,579,200
Removal of One-Time Expenditures	0.00	0	(3,579,200)	0.00	0	(3,579,200)
FY 2004 Base	0.00	0	0	0.00	0	0
1. CAT Fund - Reduce County Deductible	0.00	0	500,000	0.00	0	435,000
2. Health & Welfare Tobacco Counter Mktg	0.00	0	500,000	0.00	0	500,000
3. Children's Trust Fund	0.00	0	150,000	0.00	0	150,000
4. Idaho Unido	0.00	0	37,400	0.00	0	0
5. Lutheran Community Services NW	0.00	0	65,000	0.00	0	0
6. Log Cabin Literary Center	0.00	0	46,000	0.00	0	0
7. American Lung Assoc. of Idaho/Nevada	0.00	0	157,200	0.00	0	0
8. M.V. Youth Tobacco-Free Coalition	0.00	0	10,000	0.00	0	0
9. Touchstone, Inc.	0.00	0	120,100	0.00	0	0
10. Public Health Districts	0.00	0	526,100	0.00	0	515,200
11. BSU Center for Health Policy	0.00	0	109,000	0.00	0	109,000
12. Parents Encouraging Parents	0.00	0	80,000	0.00	0	0
13. DrugFree Idaho, Inc.	0.00	0	85,500	0.00	0	0
14. Idaho Primary Care Association	0.00	0	715,100	0.00	0	0
15. Valley Crisis Center, Inc.	0.00	0	45,200	0.00	0	0
16. KNIN Television	0.00	0	40,000	0.00	0	0
17. Supreme Court	0.00	0	270,000	0.00	0	270,000
18. Soc. for Protection of At-Risk Children	0.00	0	260,000	0.00	0	0
19. Idaho State Police	0.00	0	94,000	0.00	0	94,000
20. Rival Motorsports	0.00	0	20,000	0.00	0	0
21. Idaho Migrant Council	0.00	0	149,000	0.00	0	0
22. Blue Cross Foundation for Health	0.00	0	67,500	0.00	0	0
23. CAT Fund - Indigent Health Care	0.00	0	0	0.00	0	1,251,400
FY 2004 Total	0.00	0	4,047,100	0.00	0	3,324,600
Change from Original Appropriation	0.00	0	467,900	0.00	0	(254,600)
% Change from Original Appropriation			13.1%			(7.1%)

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Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2003 Original Appropriation	0.00	0	3,579,200	0	3,579,200
Removal of One-Time Expenditures					
Agency Request	0.00	0	(3,579,200)	0	(3,579,200)
Governor's Recommendation	0.00	0	(3,579,200)	0	(3,579,200)
FY 2004 Base					
Agency Request	0.00	0	0	0	0
Governor's Recommendation	0.00	0	0	0	0
1. CAT Fund - Reduce County Deductible					
This request would provide funding for the Catastrophic Health Care program to reduce county deductible payments in caring for indigent persons with tobacco-related diseases. This program has been funded every year since the inception of the Millennium Fund (it received \$435,000 for FY 2003).					
Agency Request	0.00	0	500,000	0	500,000
Governor's Recommendation	0.00	0	435,000	0	435,000
2. Health & Welfare Tobacco Counter Mktg					
This request would provide \$500,000 to continue a media campaign aimed at increasing awareness of the addictiveness of tobacco and the severity of the consequences of using it. This program has been funded at the same level as requested since FY 2001.					
Agency Request	0.00	0	500,000	0	500,000
Governor's Recommendation	0.00	0	500,000	0	500,000
3. Children's Trust Fund					
This request would provide \$150,000 to allow the Children's Trust Fund to continue to fund community-based youth oriented coalitions which provide asset building activities for the youth of their communities. This program received \$100,000 in FY 2001, \$200,000 in FY 2002 and \$150,000 in FY 2003.					
Agency Request	0.00	0	150,000	0	150,000
Governor's Recommendation	0.00	0	150,000	0	150,000
4. Idaho Unido					
The purpose of this request is to provide funding to facilitate the dissemination of information to the Hispanic community about tobacco cessation, prevention and health via Idaho Unido -- the only Spanish-language newspaper in the state.					
Agency Request	0.00	0	37,400	0	37,400
Governor's Recommendation	0.00	0	0	0	0
5. Lutheran Community Services NW					
This request would fund "Project Venture", which is an asset-based, after-school substance abuse prevention program that offers hands-on, experimental exercises designed to offer opportunities to both have fun and learn. The target population is primarily youth ages 9 to 14.					
Agency Request	0.00	0	65,000	0	65,000
Governor's Recommendation	0.00	0	0	0	0

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6. Log Cabin Literary Center					
This request would provide funding to expand Writers in the Schools (WITS), a program serving substance abuse prevention goals in southern Idaho schools. Participating students work in a setting focused on reading and writing for 28 hours under the mentorship of a professional author. By the end of the grant period, the goal is for students to find more meaning in school and be more likely to participate in school and school-related activities.					
Agency Request	0.00	0	46,000	0	46,000
Governor's Recommendation	0.00	0	0	0	0
7. American Lung Assoc. of Idaho/Nevada					
This request would provide continued funding for a smoking cessation program -- Teens Against Tobacco Use (T.A.T.U.) and a cessation program -- Not on Tobacco (N-O-T). The T.A.T.U. program will help young people ages 14-17 teach 9-12 year old children avoid tobacco by providing them the tools to help them make the decision not to smoke. The N-O-T program is a research based smoking cessation program designed for teens and uses content and delivery tailored to the adolescent population. The goal is to expand youth prevention and cessation programs to reach approximately 12,750 school students and teens statewide with some component of the project being conducted in each of the seven health districts. This program received \$148,600 for FY2003.					
Agency Request	0.00	0	157,200	0	157,200
Governor's Recommendation	0.00	0	0	0	0
8. M.V. Youth Tobacco-Free Coalition					
This request would provide \$10,000 to continue the development of youth tobacco-free coalitions in the Magic Valley (Gooding, Jerome, Lincoln, Blaine, Cassia, and Minidoka counties) and expand Businesses of Excellence in tobacco control awards in these counties. This program received \$10,000 for FY2003.					
Agency Request	0.00	0	10,000	0	10,000
Governor's Recommendation	0.00	0	0	0	0
9. Touchstone, Inc.					
The purpose of this request is to increase the rate of dually diagnosed (i.e. individuals diagnosed with a mental illness and substance abuse addiction) adults to remain sober and engaged in their mental health treatment by providing accessible, comprehensive and integrated care resulting in improved functioning while living in the community.					
Agency Request	0.00	0	120,100	0	120,100
Governor's Recommendation	0.00	0	0	0	0
10. Public Health Districts					
This request would provide continued funding to the Public Health Districts to provide and expand prevention and cessation services to all Idaho citizens, with primary emphasis on youth and pregnant women. In FY 2003, the Idaho Millennium Income Fund provided the Public Health Districts with \$515,200 for this program. This request represents a \$10,900 increase over FY 2003, which reflects an inflationary increase and 1% CEC.					
Agency Request	0.00	0	526,100	0	526,100
Governor's Recommendation	0.00	0	515,200	0	515,200
11. BSU Center for Health Policy					
This request would fund a continuation of grants awarded in FY 2002 and 2003 for a substance abuse data repository. In partnership with Idaho State University and the University of Idaho, the grantee is collecting appropriate data from the various state agencies involved in substance abuse programs, analyzing the data, and evaluating the effectiveness of the State's substance abuse programs.					
Agency Request	0.00	0	109,000	0	109,000
Governor's Recommendation	0.00	0	109,000	0	109,000

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Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
12. Parents Encouraging Parents					
This request would provide funding for Parents Encouraging Parents (PEP), a non-profit organization dedicated to preventing and reducing child abuse and neglect, and adolescent substance abuse, delinquency, violence and pregnancy. PEP's mission is accomplished by providing parents with education, skills and support through parenting classes, both in person and online, and through individual consultation.					
Agency Request	0.00	0	80,000	0	80,000
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
13. DrugFree Idaho, Inc.					
The purpose of this request is to provide funding for DrugFree Idaho (DFI), which works with Idaho businesses to establish Drug-Free Workplace programs. This funding is needed to help DFI sustain its program while building up its client base, with the goal of attaining self-sufficiency by mid-2004.					
Agency Request	0.00	0	85,500	0	85,500
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
14. Idaho Primary Care Association					
This request would fund a smoking cessation campaign, "Break the Chain". This clinical plan would be implemented as a joint effort between the health care staff of Community Health Centers (CHCs) and the Idaho Primary Care Association. The proposal would allow CHCs seven tobacco health educators, buy pharmaceuticals and establish science based tobacco cessation clinical programs in CHC clinics.					
Agency Request	0.00	0	715,100	0	715,100
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
15. Valley Crisis Center, Inc.					
The purpose of this request is to provide funding for the enhancement of direct victim services to chemically dependent victims of domestic violence.					
Agency Request	0.00	0	45,200	0	45,200
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
16. KNIN Television					
This request would provide funding for KNIN to produce and air a series of teen targeted half-hour programs that discuss the serious negative health effects of tobacco use.					
Agency Request	0.00	0	40,000	0	40,000
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
17. Supreme Court					
The Youth Courts program has received funding from the Millennium Fund for the past three years. The Status Offender Services program has received funding from the Millennium Fund for the past two years. The Supreme Court is requesting funding again at the same level it has received in the past to continue its efforts to support and evaluate a continuum of community-based juvenile prevention and intervention programs in each judicial district.					
Agency Request	0.00	0	270,000	0	270,000
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>270,000</i>	<i>0</i>	<i>270,000</i>
18. Soc. for Protection of At-Risk Children					
This request would fund a one-time study to determine the prevalence of use of tobacco, alcohol and other drugs during pregnancy among new mothers delivering at hospitals located in the 8 urban counties of Idaho.					
Agency Request	0.00	0	260,000	0	260,000
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>

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Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
19. Idaho State Police					
This request would be used to offset the cost of youth tobacco investigations, which are required by law. This program received funding in the same amount for FY 2003.					
Agency Request	0.00	0	94,000	0	94,000
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>94,000</i>	<i>0</i>	<i>94,000</i>
20. Rival Motorsports					
This request would provide funding to promote a youth anti-tobacco campaign involving Rival Motorsports' Late Model Stock Car racing program.					
Agency Request	0.00	0	20,000	0	20,000
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
21. Idaho Migrant Council					
This request would provide funding for the Idaho Migrant Council's Youth Development Program. This program helps youth develop a positive self-image and make successful choices, especially in relation to the use of tobacco, alcohol or other substances.					
Agency Request	0.00	0	149,000	0	149,000
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
22. Blue Cross Foundation for Health					
This request would provide funding for Blue Cross of Idaho Foundation for Health to expand and improve its current collaboration with Idaho health-care providers and public health entities in incorporating a CDC-recommended tobacco control model.					
Agency Request	0.00	0	67,500	0	67,500
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
23. CAT Fund - Indigent Health Care					
Agency Request	0.00	0	0	0	0
<i>The Governor recommends that the Millennium Fund be used on a one-time basis to help fund the state's share of medical expenses related to caring for indigent persons.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>1,251,400</i>	<i>0</i>	<i>1,251,400</i>
FY 2004 Total					
Agency Request	0.00	0	4,047,100	0	4,047,100
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>3,324,600</i>	<i>0</i>	<i>3,324,600</i>
Agency Request					
Change from Original App	0.00	0	467,900	0	467,900
% Change from Original App			13.1%		13.1%
<i>Governor's Recommendation</i>					
<i>Change from Original App</i>	<i>0.00</i>	<i>0</i>	<i>(254,600)</i>	<i>0</i>	<i>(254,600)</i>
<i>% Change from Original App</i>			<i>(7.1%)</i>		<i>(7.1%)</i>

Millennium Fund

Issues & Information

Analyst: Freeman

Idaho Millennium Income Fund Appropriations			
Agency	FY 2002 Appropriation	FY 2003 Appropriation	FY 2003 Actual Distribution as of Dec. 31, 2002
Boise State University	\$ 95,000	\$ 121,000	\$ 73,102
Catastrophic Health Care Reduce County Deductible	\$ 735,000	\$ 435,000	\$ 262,806
Catastrophic Health Care State Share	\$ -	\$ 1,251,400	\$ 756,035
Children's Trust Fund	\$ 200,000	\$ 150,000	\$ 90,623
Idaho Supreme Court	\$ 320,000	\$ 270,000	\$ 163,121
Public Health Districts Smoking Cessation Programs	\$ 506,500	\$ 515,200	\$ 311,259
Dept. of Health & Welfare Tobacco Counter Marketing	\$ 500,000	\$ 500,000	\$ 302,075
Dept. of Health & Welfare Adolescent Pregnancy Prevention	\$ 400,000	\$ -	\$ -
American Lung Association	\$ -	\$ 148,600	\$ 89,777
American Cancer Society Cancer Camp / Tobacco Free Coalitions	\$ -	\$ 44,000	\$ 26,583
Dept. of Health & Welfare Small Business Health Insurance	\$ -	\$ 50,000	\$ 30,208
Idaho State Police	\$ -	\$ 94,000	\$ 56,790
TOTAL	\$ 2,756,500	\$ 3,579,200	\$ 2,162,377

Legislative intent provides that "if the total amount of moneys appropriated ... is not available for appropriation, then the State Treasurer shall allocate such funds as are available to the recipients ... in the proportion that the amount of each recipient's appropriation bears to the total amount appropriated."

Any unexpended and unencumbered funds as of June 30, 2003 will revert back to the Millennium Income Fund.

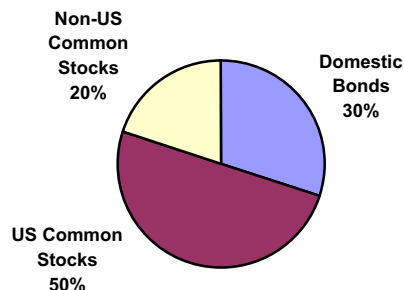
Idaho Code §67-1802 provides that appropriations from the Idaho Millennium Income Fund "may only be granted on a one-time basis through June 30, 2004."

Millennium Fund Issues & Information

Analyst: Freeman

Millennium Fund Cash Flow Information						
Fiscal Year	Beginning Market Value	Actual/Projected Receipts	Transfers Out	Earnings/(Losses)*	Available for Appropriation*	Ending Market Value
2000	\$ -	\$ 29,728,524	\$ -	\$ 495,788	\$ 386,959	\$ 29,837,353
2001	29,837,353	22,773,735		(2,128,126)	1,729,535	48,753,427
2002	48,753,427	26,579,451	(19,335,604)	(4,232,796)	2,438,933	49,325,545
2003	49,325,545	26,412,922	(10,000,000)	(3,404,097)	1,154,093	61,976,061
2004	61,976,061	23,592,865		5,398,454	3,338,794	87,628,586
2005	87,628,586	23,830,716		7,474,089	4,640,996	114,292,396
2006	114,292,396	24,071,285		9,631,439	5,994,478	142,000,642
2007	142,000,642	24,372,435		11,874,147	7,401,405	170,845,819
2008	170,845,819	31,603,466		14,324,206	8,923,972	207,849,520
2009	207,849,520	31,857,839		17,316,825	10,801,652	246,222,532
2010	246,222,532	32,115,156		20,420,077	12,748,761	286,009,003
2011	286,009,003	32,375,460		23,637,528	14,767,537	327,254,453
2012	327,254,453	32,638,797		26,972,855	16,860,288	370,005,817
2013	370,005,817	32,905,212		30,429,849	19,029,392	414,311,486
2014	414,311,486	33,174,753		34,012,419	21,277,303	460,221,355
2015	460,221,355	33,447,468		37,724,596	23,606,551	507,786,868
2016	507,786,868	33,723,405		41,570,534	26,019,742	557,061,065
2017	557,061,065	34,002,615		45,554,519	28,519,567	608,098,631
2018	608,098,631	31,510,324		49,634,705	31,085,567	658,158,093
2019	658,158,093	31,833,796		53,682,844	33,625,564	710,049,169
2020	710,049,169	32,161,128		57,878,967	36,258,429	763,830,836
2021	763,830,836	32,492,378		62,227,837	38,987,152	819,563,898
2022	819,563,898	32,827,611		66,734,366	41,814,816	877,311,059
2023	877,311,059	33,166,889		71,403,619	44,744,600	937,136,967
2024	937,136,967	33,510,277		76,240,818	47,779,781	999,108,282
2025	999,108,282	33,857,842		81,251,347	50,923,737	1,063,293,734
TOTAL		\$ 790,566,349	\$ (29,335,604)	\$ 836,126,808	\$ 534,859,604	
<p>*Note: The figures listed for the current fiscal year under "Earnings/(Losses)" and "Available for Appropriation" represent actual year-to-date amounts. Projected earnings assume an 8% return on investment.</p> <p>H701 (2002 Idaho Sess. Laws 156) transferred to the General Fund the April 2002 tobacco payment (\$19.3 million) distributed to the State of Idaho pursuant to the tobacco Master Settlement Agreement.</p> <p>S1517 (2002 Idaho Sess. Laws 205) transfers to the General Fund \$10 million from the fiscal year 2003 scheduled tobacco payments distributed to the State of Idaho pursuant to the tobacco Master Settlement Agreement.</p>						

Millennium Fund Investment Allocation



The State Treasurer's Office has retained State Street Global Advisors to act as the investment manager for the Millennium Fund.

To the extent feasible, all investments representing ownership in tobacco related companies will be avoided.